



## DEPARTMENT OF THE ARMY

U.S. Army Corps of Engineers  
WASHINGTON, D.C. 20314-1000

REPLY TO  
ATTENTION OF:

NOV 19 2002

CEMP-MA (415)

### MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: More Timely Return or Obligation of Expiring Army Military Construction (MILCON) Funds

1. Unobligated balances of prior-year MILCON funds have been used by OSD and Congress as reasons to rescind already appropriated funds or reduce requested appropriations. Over the last 30 months we have been pushing to maximize the obligation of expiring funds. In early FY 02 HQDA raised this effort as a top priority of the Army and there was a concerted effort over the last six months of FY 02 to obligate all expiring-year Army MILCON funds. The effort was not completely successful. Some districts still had FY 98 funds unobligated while several districts returned funds in the last two weeks of September. This was too late to redistribute and obligate.
2. For this fiscal year I will push for the total obligation of expiring FY 99 funds. We will therefore implement the actions directed below. I also intend to include the associated performance of each Major Subordinate Command (MSC) in the Command Management Review (CMR). To help track the progress of the effort HQUSACE will distribute end-of-quarter reports to the MSCs of the unobligated balances of Military Construction, Army (MCA), minor MCA (MMCA), Army Family Housing (Construction) (AFH(C)), Military Construction, Army Reserve (MCAR), and minor MCAR (MMCAR) funds.
3. I will ask CERM to begin revoking any expiring-year funds that remain unobligated in the field as of 1 April 03 based on CEFMS data. I suggest the districts avoid this disruption by returning the funds before the cut off date. Newer funds would be substituted for any returned funds based on adequate justification for those newer funds. Our goal: all FY 99 funds will be obligated by 30 June 03 (31 March 03 for MMCA and MMCAR).
4. There is a final part of this effort. The returned expiring-year funds will be redistributed to the districts NLT 15 May 03 to support new awards. Remember that these older funds need to be obligated first when the award is made. They will not be reserved for contingencies.
5. I do not consider any of these directed actions to be radical or extreme and they need not cause any disruption in completing any projects. In fact, I see this as a simple and productive policy that can work easily with the cooperation of all concerned. This is prudent and effective management of MILCON funding.

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6. This memorandum focuses on expiring-year funds. You and the districts must also review the balances of expired funds (FY 94 thru FY 98) and of FY 00 funds. These returned funds would also be redistributed to districts and projects where they are needed and can be obligated.

FOR THE COMMANDER:



CARL A. STROCK  
Major General, USA  
Director of Military Programs

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Assistant Chief of Staff for Installation Management  
Directorate of Resource Management  
Engineering & Construction Division